Dare Capital Management, LLC
Registered Investment Advisor

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"A crisis is the sum of intuition and blind spots, a blend of facts noted and facts ignored." Michael Crichton

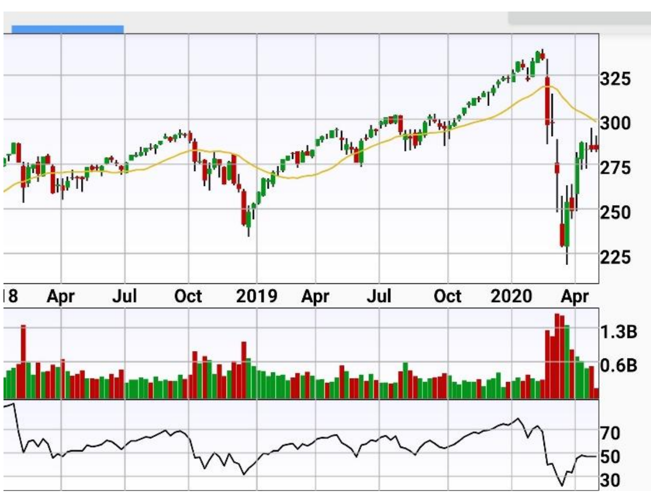
Answering the calling of becoming a financial advisor has allowed me the opportunity to have a ringside seat for whatever the crisis du jour happens to be, and to be there by choice, no less. I accept the responsibility of steering clients in good times and in bad- in sickness and in health as it were- with clearly stated goals and a long-term focus as buttresses against the unknowns of the investing world.

There are plenty of times where things are going great for clients and we may find ourselves awash in our collective acumen, but there are also times when all heck is breaking loose for whatever reason and our perseverance is tested.

We've been tested these past few months by a global health scare, a pandemic caused by a coronavirus infection known as COVID-19 that to date has killed more than 67,000 Americans, more US casualties than died in the ten year Viet Nam war.

The emergence of this virus, the lightning speed responses in US fiscal and monetary policy, the varying state and local government protective orders to mitigate the virus' spread, the abject failings by the US pandemic response team—all will be topics for discussion frankly forever. But let's see where we are, and later where we might be going by way of the charts.

Support and Resistance- Equities



Here is the S&P 500 ETF SPY viewed through 30-month (left) and 130-month (right) prisms, using weekly and monthly charts. The left chart shows the unprecedented drop mid-February to mid-March, the fastest such drop in stock market history, and the nearly as unprecedented rally

2405 S. Croatan Hwy, Suite C P.O. Box 1806

Nags Head, NC 27959 (252)480-0156 darecapital.com

from March 23rd through the end of April. The chart on the right gives longer-term perspective on the incredible ten-year market run since 2009 and provides context on recent moves.

As I wrote to clients in March, part of the reason that the market fell as hard as it did was a lack of faith in how the current administration was handling the pandemic. I think that the market's reaction was overdone to the downside, in other words falling a leg further than it needed to just on emotion and frustration. Then as news of massive bipartisan legislation being put into law by Congress in record time and similarly massive monetary policy intervention by the Federal Reserve became known, the rally had more oomph than anticipated. This caught many smart speculators betting against market strength in the process.

We've also has some surprisingly good corporate earnings reports in this quarterly earnings season, though no sober investor is invested in the market based solely on the specifics of this quarter's and next quarter's earnings reports.

Broad market indices like the S&P 500 have lagged the top stocks this year because the indices contain winning and losing sectors of the economy and winning and losing companies (until the losers are removed from the index) of each market capitalization size- large, mid-cap, and small. Investors' current hunger for the best-capitalized large-cap companies suggest that there are good values to be had in smaller companies with excellent growth prospects and strong financials.

Moves like those of the past few months are extreme and are generally not the time to enact wholesale changes to portfolios, but we did take advantage of artificially low prices to do some shopping. Earlier in my career my love of bargain hunting might have taken me to the deep value aisle of corporate scrap heaps, but my poor timing on fallen angel Boeing reminds me that corporate turnaround stories are highly individual affairs that can take years to come to fruition (if they happen at all). I am once again reminded of the structural advantages of owning businesses with quality fundamentals and, especially, superior management. Simply put, there is almost no long-term substitute for great leadership.

Support and Resistance- US Government Bond Prices

Here are weekly (l) and monthly (r) charts of the US Government long term Treasury bond price ETF symbol TLT. This security has broken out to the upside yet again as capital has flowed to the safe haven (until interest rates rise, at least) of US government bonds. As I have discussed in recent letters, it is amazing that buying interest remains strong in these assets despite interest rates as of 5/1/20 of: (see table, below)

Will YIELD CURVE

Security	Last	Change
US 2-YR U.S. 2 Year Treasury	0.198% 5:05 PM EDT	+0.01
US 5-YR U.S. 5 Year Treasury	0.353% 5:05 PM EDT	+0.008
US 10-YR U.S. 10 Year Treasury	0.618% 5:05 PM EDT	-0.007
US 30-YR U.S. 30 Year Treasu...	1.253% 5:05 PM EDT	-0.018
VIX CBOE Volatility In...	37.19 05/01/20 EDT	+3.04 +8.90%

To clarify, an investor buying $1 Million of US 10-year notes Friday 5/1/20 at the closing price would be paid fully taxable annual interest of $6,180. As I have queried many clients, would you choose to do this with your $1 million of capital?

Still, the anomaly (for as long as it exists) is that buyers of these securities are being rewarded with capital gains as the prices of the securities continue to rise and interest rates remain historically low.

This environment could provide a robust opportunity for the US to issue an enormous quantity of 10-20-30, even 50-year bonds at extremely low interest rates to pay for fiscal and monetary stimulus related to the COVID-19 shutdown. If this low interest rate scenario ever changes, many other levers in the global financial machinery will also be put in play, but we are not there yet.

Guest Opinion: "What the Hell is the Stock Market Doing?", by Cullen Roche

Cullen Roche is the founder of Pragmatic Capitalism and is one of my favorite regular investment reads. In this May 1st, 2020 post, Mr. Roche examines the dichotomy between news flow and stock prices. https://www.pragcap.com/what-the-hell-is-the-stock-market-doing/

Tea Leaves

Anyone who thinks that the US economy is going to return to normal before we have adequate testing and ultimately a COVID-19 vaccine is engaging in no small measure of wishful thinking. There have been several good preliminary data points on possible vaccine candidates, and, to a lesser extent, antibody test protocols. It is very clear to almost everyone who has considered this challenge that coordinated response will flatten the curve of infection, a topic that is further muddied each day by individual states' patchwork strategies for reopening. We will really be in uncharted waters as the US economy heads into summer until widespread on-demand testing becomes available.

Let's not kid ourselves-this is one of those events that will have a huge impact on what life, work, and investing look like going forward. Many old-line business models are being challenged and new ways of doing things are sprouting up everywhere you look. Thus far in 2020 the market likes large, dominant companies whose balance sheets can weather disruptive COVID-19 scenarios. Because of this, mid and small cap companies are trading at cheaper valuations.

From a chart perspective, I've added blue support and resistance lines to the weekly and monthly SPY charts that suggest the S&P 500 will likely be trading in a range of 2500 to 3150 for the immediate future. We've had an eventful 2020 so far and face uncertainties as to when a return to normalcy will happen, but we are in a much better position than we could be given the data points.

Good news on the vaccine front and signs that the number of cases of virus patients is dropping (not to be confused with failing to report cases and hoping the virus magically goes away) will definitely help the market rally, as will signs of the economy gradually returning to normalcy. Persistent high cases of serious COVID-19 infections and high mortality numbers will provide downside market pressures.

The SECURE Act-

Congress passed the SECURE Act and it was signed into law on December 20, 2019. The SECURE Act makes significant changes to retirement account planning and administration, perhaps most notably by **eliminating Stretch IRA distributions** for almost all but spousal beneficiaries. The SECURE act also raises the age at which Required Minimum Distributions must be taken from 70½ to 72. I've enclosed several reviews of SECURE Act provisions, but please note that legislation this complex is sure to be analyzed and re-analyzed in the coming months by the planning community.

SECURE Act Resource Links:

IRA educator Ed Slott has compiled a handy summary of the SECURE Act-
http://bit.ly/2vMuBL6

Here's a Vanguard Institutional article written just after the bill's passage-
https://vgi.vg/37SzVLa

TD Ameritrade 'Ticker Tape' Newsletter

(Note: On November 20, 2019 Charles Schwab Co. announced plans to acquire TD Ameritrade in an all-stock transaction. The transaction is expected to close late in 2020. As of now it is business as usual at TD Ameritrade Institutional, my firm's custodian partner, and it is anticipated that the deal will be a win-win for Schwab and Ameritrade clients and shareholders-stay tuned.)

TD Ameritrade Institutional is my firm's custodian partner and Ameritrade common stock is a top holding. TD Ameritrade offers a timely and thoughtful weekly newsletter called Ticker Tape. To sign up for the Ticker Tape newsletter visit https://tickertape.tdameritrade.com/

Signing off from Nags Head,

Will W. Woodard, III, CFP®

Please note that the above commentary is presented for informational purposes only.

Dare Capital Management is a registered investment advisor in North Carolina providing ongoing investment management and related planning to individuals, families, and businesses. Find out more about the firm at darecapital.com